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FISCAL IMPACT STATEMENT

LS 6897

BILL NUMBER: SB 494

NOTE PREPARED: Jan 11, 2015

BILL AMENDED:

SUBJECT: Alternative Schools and Expelled Students.

FIRST AUTHOR: Sen. Taylor

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that a student who is expelled is in violation of Indiana's compulsory school attendance law unless the student attends another school, an alternative school, or an alternative education program. It provides that a school corporation may not expel a student unless the school corporation makes arrangements for the student to attend an alternative school or an alternative education program that agrees to accept the student.

Effective Date: July 1, 2015.

Explanation of State Expenditures: Under this bill, the number of students in alternative education programs might increase. This might prompt an increase in state appropriations for Alternative Education Program Grants. State funding for these grants is approximately \$6.1 M per year for the 2013-15 biennium. In the 2013-14 school year there were approximately 20,079 students in alternative education programs; in the 2011-12 and 2012-13 school years an average of about 4,097 students were expelled. Assuming that all expelled students would be enrolled in alternative education programs, the increase in state funding could be approximately \$1.2 M. This amount would be adjusted as the state uses the number of full-time equivalent students when computing the amount of funding for a program.

This bill could also increase the workload of the Department of Education which administers the Alternative Education Program.

Explanation of State Revenues:

Explanation of Local Expenditures: *Summary:* The bill would impact students who, under current law,

would be expelled. The number of these students in alternative education programs may increase. This may increase the administrative cost to school corporations in placing these students in another school, an alternative school, or an alternative education program. Since alternative education programs typically have a student to teacher ratio of about 15 to 1, these programs could require an additional 273 teachers, resulting in additional annual cost estimated at about \$18 M. This estimate assumes 4,097 expelled students and an average teacher salary of \$50,858 plus 30% fringe benefits cost. A part of this cost would be defrayed by the alternative education program grants awarded by the Department of Education.

Additional Information: Under current law, a student who is expelled from school is not in violation of Indiana's compulsory attendance law. Under this bill, the student would be in violation unless the school corporation makes arrangements for the student to attend an alternative school or an alternative education program that agrees to accept the student. The bill forbids a school corporation from expelling a student unless the corporation makes such arrangements.

Alternative Education Program: These programs are established by a school corporation or charter school to meet the needs of a student who: (1) is having difficulty in a traditional school; (2) is a parent or expectant parent; (3) is employed out of necessity; (4) is a disruptive student; or (5) intends to withdraw or has withdrawn from school.

The programs are funded through grants from the state for each full-time equivalent student, and through funds from the school corporation. The maximum grant from the state is \$750 per full-time equivalent student. A school corporation has to match at least one-third of the state grant per full-time equivalent student. There are currently 204 alternative education programs with two more scheduled to become operative in January 2015.

Explanation of Local Revenues: The total amount of revenue received by alternative education programs may increase under this bill.

State Agencies Affected: Department of Education

Local Agencies Affected: School corporations; Alternative education programs.

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